

GOODSILL ANDERSON QUINN & STIFEL

A LIMITED LIABILITY LAW PARTNERSHIP LLP

ALII PLACE, SUITE 1800 • 1099 ALAKEA STREET
HONOLULU, HAWAII 96813

MAIL ADDRESS: P.O. BOX 3196
HONOLULU, HAWAII 96801

TELEPHONE (808) 547-5600 • FAX (808) 547-5880
info@goodsill.com • www.goodsill.com

November 24, 2009

PUBLIC UTILITIES
COMMISSION

2009 NOV 24 P 2:49

FILED

The Honorable Chairman and Members of
the Hawaii Public Utilities Commission
Kekuanaoa Building
465 South King Street, First Floor
Honolulu, Hawaii 96813

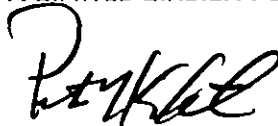
Re: Docket No. 2008-0083
Hawaiian Electric Company, Inc.'s Motion for Second Interim Increase
for CIP CT-1 Revenue Requirements, or in the Alternative, to Continue
Accruing AFUDC for the CIP CT-1 Project

Dear Commissioners:

Hawaiian Electric Company, Inc.'s Motion for Second Interim Increase for CIP CT-1 Revenue Requirements, or in the Alternative, to Continue Accruing AFUDC for the CIP CT-1 Project stated that the Declarations of Robert C. Isler, Cecily A. Barnes and Ross H. Sakuda were being filed initially with facsimile signatures of the declarants. Enclosed for filing are the executed original Declarations of Mr. Isler, Ms. Barnes and Mr. Sakuda.

Very truly yours,

GOODSILL ANDERSON QUINN & STIFEL
A LIMITED LIABILITY LAW PARTNERSHIP LLP



Thomas W. Williams, Jr.
Peter Y. Kikuta

Enclosures

cc: Division of Consumer Advocacy (w/ enclosures)
Department of Defense (w/ enclosures)

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII**

**In the Matter of the Application of
HAWAIIAN ELECTRIC COMPANY, INC.
For Approval of Rate Increases and Revised
Rate Schedules and Rules**

DOCKET NO. 2008-0083

DECLARATION OF CECILY A. BARNES

1. I, Cecily A. Barnes, am Manager of the Support Services Department for Hawaiian Electric Company, Inc. ("Hawaiian Electric"), interming in biofuels projects. I make this declaration based upon my own personal knowledge and upon information and belief gained in that capacity, and in support of the accompanying motion.

2. My business address is 475 Kamehameha Hwy., Pearl City, Hawaii, 96782.

3. Hawaiian Electric is still in the process of obtaining biodiesel supplies for the Campbell Industrial Park ("CIP") CT-1 unit.

4. On November 6, 2009, REG Marketing and Logistics, LLC began delivering biodiesel using 5,800 gallon (minimum) intermodal containers manufactured to International Organization for Standardization specifications, known as "ISO containers," on a suitable container chassis to Hawaiian Electric's CIP facility. Fuel is directly discharged from the ISO containers into one of the two fuel storage tanks at the CIP facility. The delivery of all approximately 400,000 gallons is anticipated to be completed by November 20, 2009.

5. 35 ISO containers of biodiesel containing an aggregate of approximately 200,000 gallons of biodiesel have been delivered to Hawaiian Electric's CIP facility as of November 13,

2009 as shown in Table 1. The remaining 35 ISO containers are scheduled to be delivered to CIP throughout the week of November 16, 2009 at the rate of approximately seven ISO containers per day.

Table 1. Deliveries received at CIP through 11/13/09


Date:	11/6/09	11/09/09	11/10/09	11/11/09	11/12/09	11/13/09	Total to-date
No. of Containers	1	8	7	4	7	8	35

6. Hawaiian Electric will conduct the biodiesel emissions data project beginning the week of November 30, 2009 in order to begin biodiesel operations in 2010.

7. Hawaiian Electric began evaluating proposals submitted in response to the RFP that were received by the RFP deadline of September 30, 2009. Hawaiian Electric is reaching conclusion of its evaluation of the proposals and is in the process of final negotiations with a selected supplier. The final biodiesel supply contract award for the two-year operational supply of biodiesel is expected to be completed by the week of November 30, 2009. Subsequently, Hawaiian Electric is targeting to submit a proposed contract to the Commission in early December, 2009. The ordering of the biodiesel according to the terms of the biodiesel supply contract is expected to commence upon a Commission decision approving the contract. The estimated lead time of the first biodiesel delivery under the planned biodiesel supply contract is 20 weeks from time of order placement.

I declare under penalty of perjury that the foregoing is true and correct.

DATED: Honolulu, Hawaii, November 19, 2009.


CECILY A. BARNES

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII**

**In the Matter of the Application of
HAWAIIAN ELECTRIC COMPANY, INC.
For Approval of Rate Increases and Revised
Rate Schedules and Rules**

DOCKET NO. 2008-0083

DECLARATION OF ROBERT C. ISLER

1. I, Robert C. Isler, am Project Manager, Power Supply Engineering Department, Hawaiian Electric Company, Inc. ("Hawaiian Electric"). I make this declaration based upon my own personal knowledge and upon information and belief gained in that capacity, and in support of the accompanying motion.

2. My business address is 820 Ward Avenue, Honolulu, Hawaii.

3. With respect to the generating station component of the Campbell Industrial Park ("CIP") CT-1 project, two subcomponent systems were not completed as of August 3, 2009, including the two blackstart generators and the water treatment system. The blackstart generators were completed and placed in service as of October 15, 2009.

4. Based on standard accounting practices, Hawaiian Electric discontinued the accrual of AFUDC as of the dates CIP CT-1 components were placed in service.

5. The water treatment system for CIP CT-1 is expected to be placed in service by December 15, 2009.

6. As of October 31, 2009, the total costs recorded for the CIP CT-1 project components and subcomponents that are included in plant in service include (1) \$6,119,685 for

the cost of land and easements acquired for the project in 2008, and (2) \$164,735,637 for the other components (excluding the water treatment system, for which \$4,674,765 had been recorded to CWIP). The amount recorded as of October 31, 2009 of \$177,339,962 is over \$14,000,000 in excess of the test year estimate of \$163,279,651. The estimated costs to be incurred in the last two months of 2009, and in 2010 for the components that have been closed to plant in service include costs for work related to the plant site (including road paving, lighting, cameras, security and other miscellaneous work), and remaining construction management services. In addition, the costs related to certain of the change orders in the construction contracts are being negotiated. The estimated costs for 2010 reflect costs related to spare parts specific to the project that are not expected to be received until 2010.

I declare under penalty of perjury that the foregoing is true and correct.

DATED: Honolulu, Hawaii, November 19, 2009.


ROBERT C. ISLER

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII**

**In the Matter of the Application of
HAWAIIAN ELECTRIC COMPANY, INC.
For Approval of Rate Increases and Revised
Rate Schedules and Rules**

DOCKET NO. 2008-0083

DECLARATION OF ROSS H. SAKUDA

1. I, Ross H. Sakuda, am Director of Generation Planning for Hawaiian Electric Company, Inc. ("Hawaiian Electric"). I make this declaration based upon my own personal knowledge and upon information and belief gained in that capacity, and in support of the accompanying motion.

2. My business address is 820 Ward Avenue, Honolulu, Hawaii.

3. On October 7, 2009, the recorded gross system peak for Hawaiian Electric reached 1,260 MW (1,213 MW-net). At the time of the peak, Chevron and Tesoro were serving their own internal loads with their cogenerating units. Had these cogenerating units not been operating, the adjusted gross system peak would have been approximately 1,284 MW (1,237 MW-net). The net peak forecast for October was 1,183 MW-net from the May 2009 forecast and 1,246 MW-net from the September 2008 forecast. The adjusted peak of 1,237 MW-net was 54 MW higher than the May 2009 forecast and 9 MW lower than the September 2008 forecast. This is summarized in the table below.

Month	Recorded Net Peak (a)	Standby Load (b)	Chevron Demand @ peak (c)	Tesoro Demand @ peak (d)	Recorded Peak w/ standby load adjustment (e) = (a)+(b)-(c)- (d)	May 2009 Net Peak Forecast (f)	Difference with Recorded (w/ standby) (g) = (e) - (f)	Sept 2008 Net Peak Forecast (h)	Difference with Recorded (w/ standby) (i) = (e) - (h)
Oct 2009	1,213	25	0.7	0	1,237	1,183	54	1,246	-8

I declare under penalty of perjury that the foregoing is true and correct.

DATED: Honolulu, Hawaii, November 19, 2009.

Ross H. Sakuda
ROSS H. SAKUDA